

# Corporate Presentation

Dec 2020



*An 'Emerging Markets Multinational'  
with a multi-faceted approach of*



**DISTRIBUTION**

**SERVICES**



No.1 Technology distributor in MEA and No.2 in India



Distribution of IT Consumer, IT Enterprise, & Mobility products



Expanding the reach & coverage for over 230+ brands through 36,150+ partners



\$7.3bn+ company with strong double digit 13 year CAGR (Revenue, EBITDA & PAT)



Third Party Logistics Services through ProConnect



Support Services through Ensure



An Emerging Markets player with in-country presence



# Our Mission and Values

*“Our mission is to offer a robust technology-powered platform to enable a seamless flow of products and services”*



**ADAPTABILITY**



**COLLABORATION**



**KNOW-HOW**



**OBJECTIVITY**



**SIMPLICITY**



**TRUST**



**TRANSPARENCY**



# Our Transformation



From a **“Broadline Distributor”** to a **“Value Added Distributor”** to a **“Services & Solutions Company”**



**IT CONSUMER**

1993-2002 : The Emergence

**IT CONSUMER + IT ENTERPRISE + MOBILITY**

2003-2011 : The Proliferation

**IT + MOBILITY + LOGISTICS**

2012-2020 : The Expansion

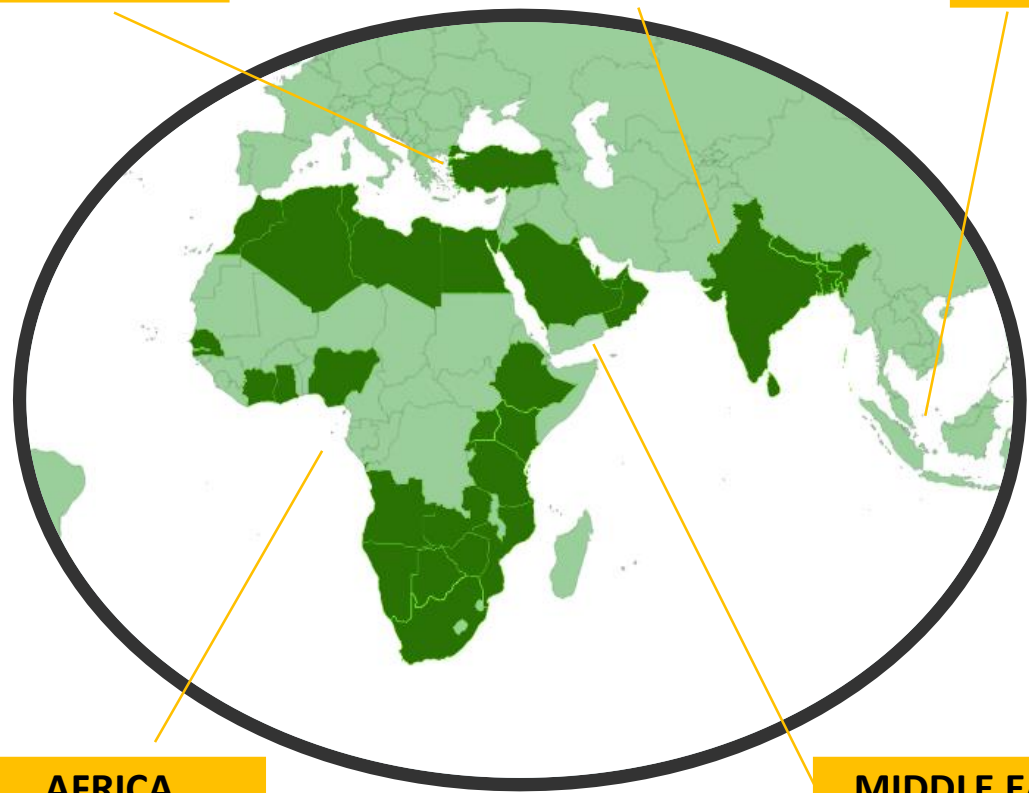
# Our Presence



**TURKEY**  
1 market

**INDIA**  
1 market

**SSA**  
5 markets



**AFRICA**  
22 markets

**MIDDLE EAST**  
8 markets

*Enviably "In country" presence in 37 markets*

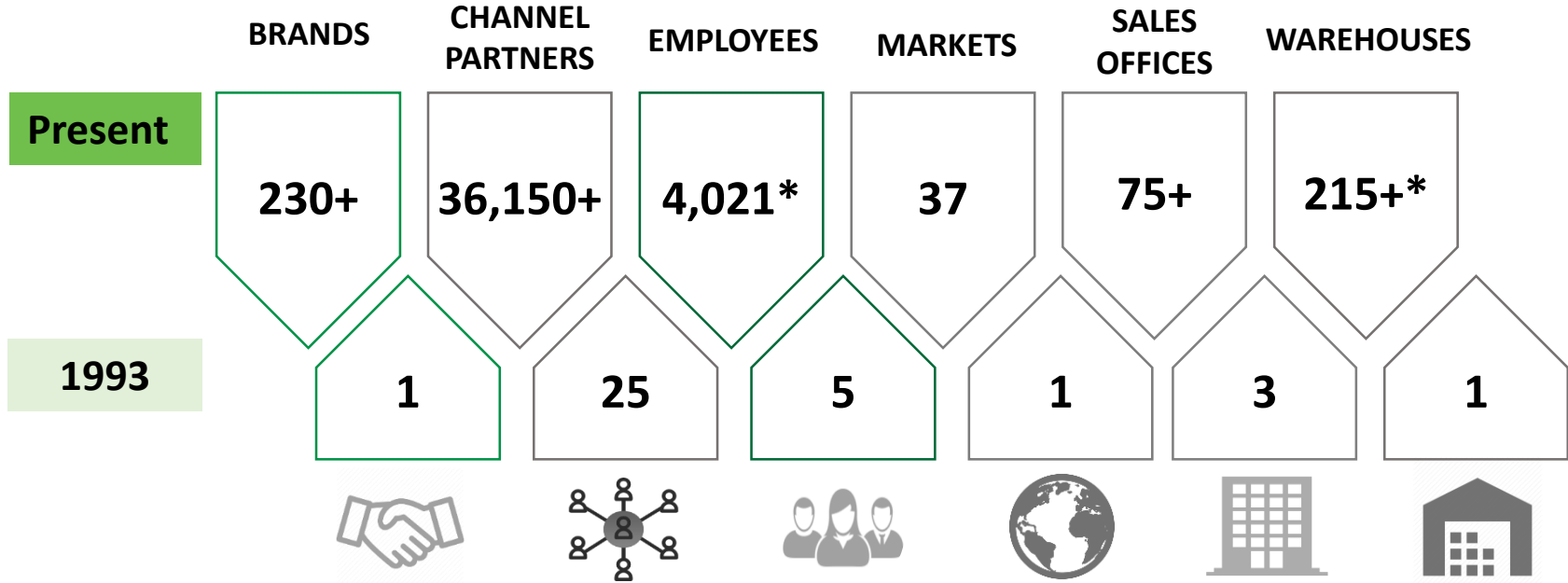
*No.1 or No.2 position across all markets*

*"High potential" markets*

*Presence across product categories*

*Portfolio of Marquee brands*

# Our Expansion



\*Figures does not contain the details of Ensure India which has been divested in Jul'20

# Our Board Of Directors

## Independent Directors

### CHAIRMAN



**Prof. Ramachandran**  
Professor, Corporate  
Policy & Strategy  
IIM, Bengaluru



**V. S. Hariharan**  
Ex. Vice President,  
Hewlett-Packard,  
Singapore



**Keith WF Bradley**  
Ex. President,  
Ingram Micro,  
North America



**B Ramaratnam**  
Professional  
Director



**Anita P Belani**  
Sr Business & Human  
Capital Leader

## Executive Directors



**Raj Shankar**  
Managing Director



**S V Krishnan**  
Whole time Director



**Tu, Shu-Chyuan**  
General Manager  
Business Development  
Synnex Tech, Taiwan



**Chen, Yi-Ju**  
Senior Manager –  
Finance Planning & Mgmt  
Synnex Tech, Taiwan



**Udai Dhawan**  
Founding Partner &  
Head of India,  
Affirma Capital

## Non-Executive Directors



# Our Experienced Executive Team



**Raj Shankar**  
Managing Director



**P S Neogi**  
Chief of Staff



**S V Krishnan**  
CFO & Whole  
Time Director



**Ramesh Natarajan**  
CEO, India  
Distribution



**J K Senapati,**  
COO, India  
Distribution



**Gautam Hukku,**  
President, Apple  
& Mobility Group



**R Venkatesh**  
President, Enterprise  
Business Group



**E H Kasturi Rangan**  
MD, ProConnect  
Logistics, India



**Dilip Sharma**  
COO, ProConnect  
Logistics, India



**Sriram Ganeshan**  
Director & Chief  
Financial Officer,  
MEA



**Aloysius  
Fernandes**  
President,  
IT Volume, Africa



**Jeetendra Berry,**  
President,  
IT Volume,  
Middle East



**Rawad Ayash,**  
President,  
Mobility,  
Middle East



**Jim Mathew**  
President,  
Mobility,  
Africa



**Sayantan Dev**  
President,  
IT Value  
Distribution



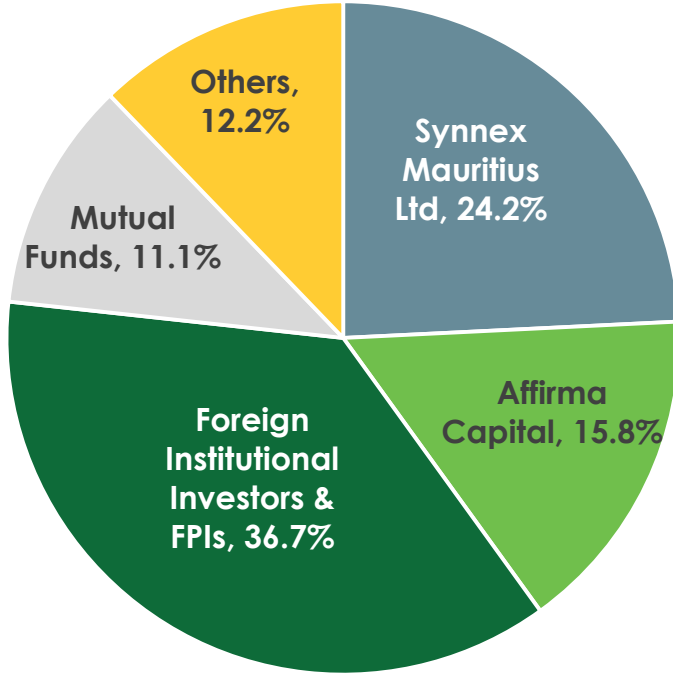
**S Chidambaram**  
Sr. Vice President,  
ProConnect  
Logistics, MEA



**Serkan Celik,**  
CEO, Arena,  
Turkey



# Our Shareholders



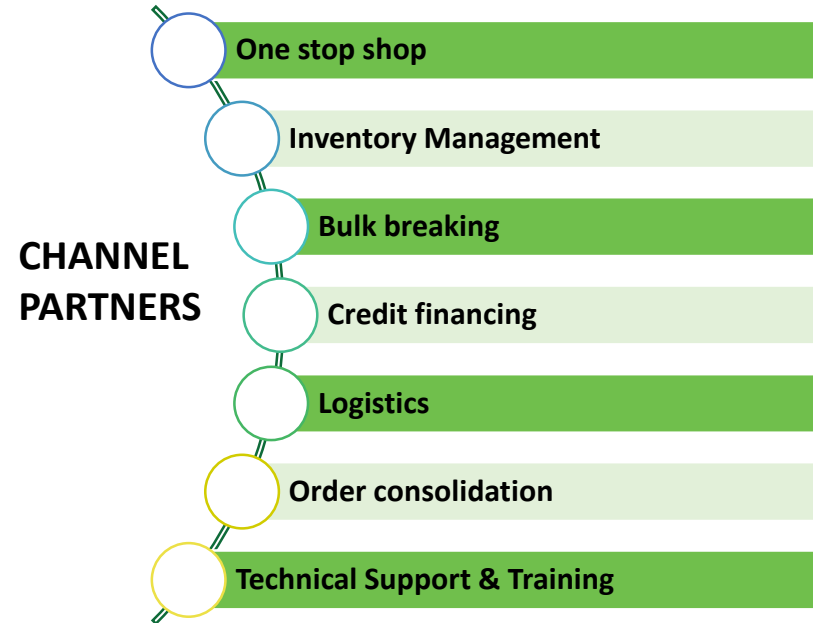
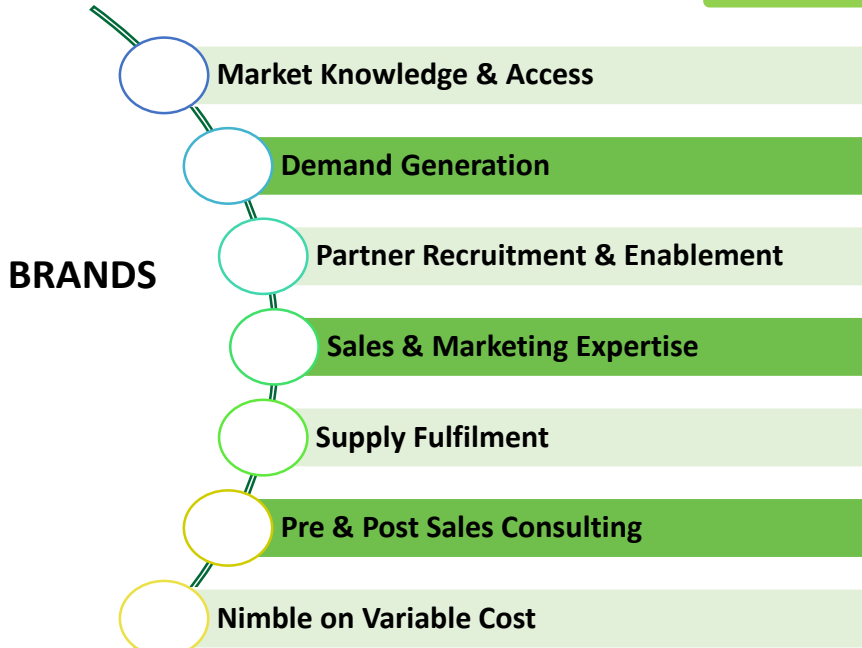
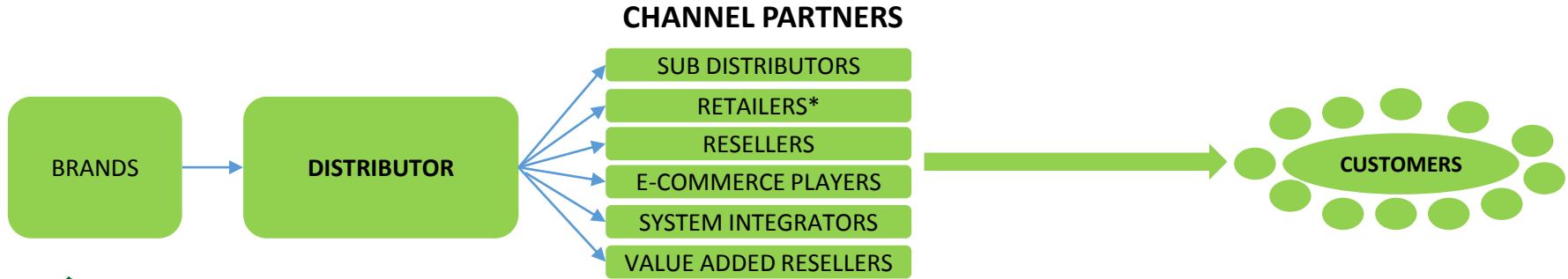
-  **HDFC Mutual Fund**
-  **Fidelity Management & Research (FMR)**
-  **ICICI Pru Life Insurance**
-  **Fidelity International**
-  **Franklin Templeton Investments**
-  **Acacia Partners (Ruane Cunniff & Goldfarb)**
-  **Massachusetts Institute Of Technology Investment Management Company**
-  **The Vanguard Group**

# **Business Overview**










# Distribution Business

# Distribution Business Model



\*Retailers include Retailers, Large Format Retailers (LFR), Multi Brand Retail, Brand Stores

# Distribution Business

BUSINESS	INDIA	MIDDLE EAST	AFRICA	TURKEY	SINGAPORE	SOUTH ASIA	
DISTRIBUTION	 LINK PLUS®						

## IT CONSUMER



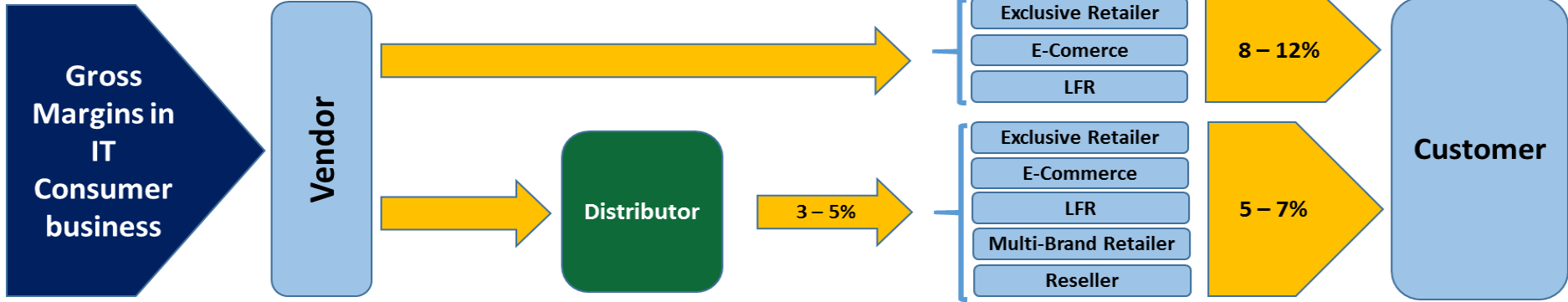
## IT ENTERPRISE



## MOBILITY



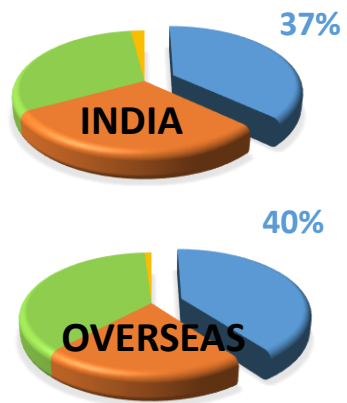
# IT Consumer Business



## PRODUCT CATEGORIES



## IT CONSUMER'S CONTRIBUTION TO REVENUES\*

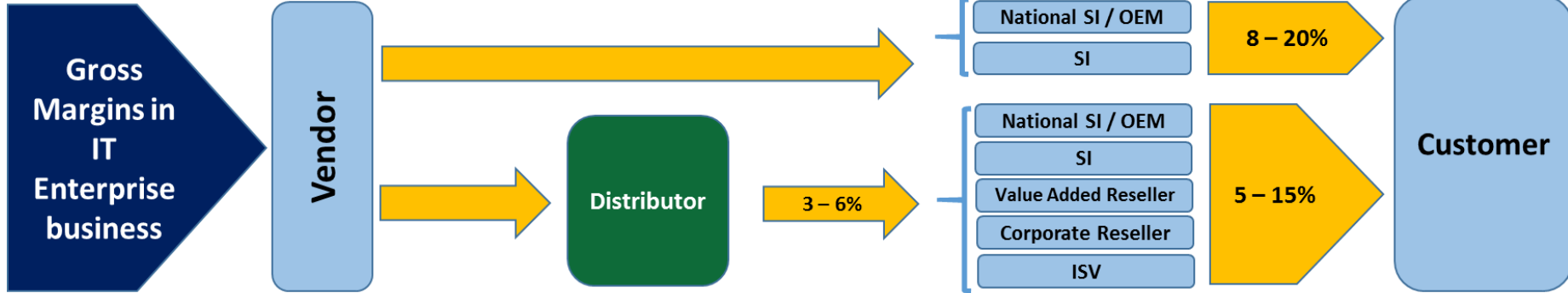


## BRANDS#



\*Figures as on 9MFY21  
#Illustrative List

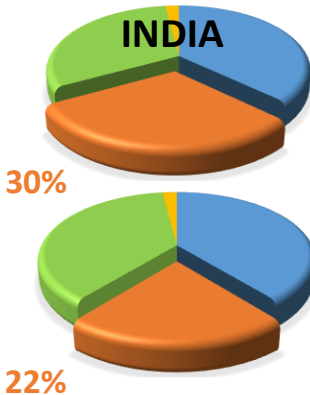
# IT Enterprise Business



### PRODUCT CATEGORIES

- Networking:** Routers, switches, cables, and other network hardware.
- Software:** Computer monitors, keyboards, and software icons.
- Cloud:** Cloud icon with server connections.
- Servers & Storage:** Server racks and storage units.
- Security:** Security icons, padlocks, and network diagrams.
- Licensing & Subscription:** Icons representing software licenses and subscription services.

### IT ENTERPRISE'S CONTRIBUTION TO REVENUES\*



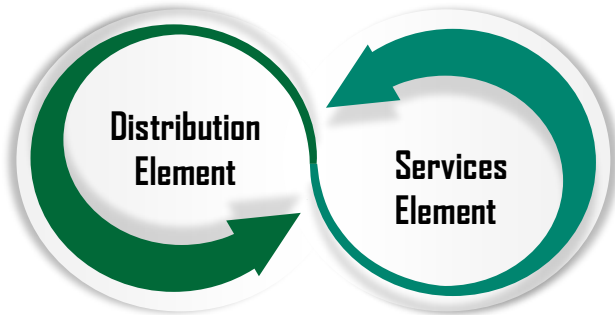
### BRANDS#

A grid of logos for various IT brands, including Amazon Web Services, APC, Array Networks, Autodesk, Avaya, Citrix, Cisco, Barracuda, Broadcom, Cambium Networks, CommScope, Dell EMC, Esri, Fortinet, Huawei, Nutanix, Hewlett Packard Enterprise, Microsoft, NetApp, Oracle, Palo Alto Networks, PTC, Red Hat, Symantec, Tyco Electronics, Trend Micro, and VMware.

\*Figures as on 9MFY21  
#Illustrative List



## Our business



Down-selling of  
Cloud products



ORACLE

Redington team  
provides Managed  
Services, focussing  
on SME/Mid Market  
clientele

## Our Major Competencies

**Unified Digital  
Cloud Platform**

Enabling channel partners to auto provision, consume, view consumption reports, subscription management and monthly billing of Cloud services

**Investments in  
Manpower**

**Team Strength : 78**

Cloud Solution Architects, Cloud Consultants, Cloud Engineers, Advanced Pre-sales, Field Sales, Digital Marketing

**Redington  
Managed  
Cloud  
Solutions**

End to end solutions including 24\*7 support services, cloud monitoring, cloud management, reactive & proactive services

**Redington  
Cloud  
Academy**

Offering partner training and enablement services to help partners improve their value chain

**6000+**

Registered  
Partners

**2500+**

Customers

**350+**

Cloud  
Migrations

**100+**

Enterprise  
workloads



## FEATURES OF REDINGTON CLOUD MANAGED SOLUTIONS



**Assessment workshop**  
Redington and Partner works with Customer IT team to do assessment workshop and validate customer readiness for cloud



**Architect**  
Findings from application/Infra details via assessment, cloud solution is proposed to customers considering security and optimized cost

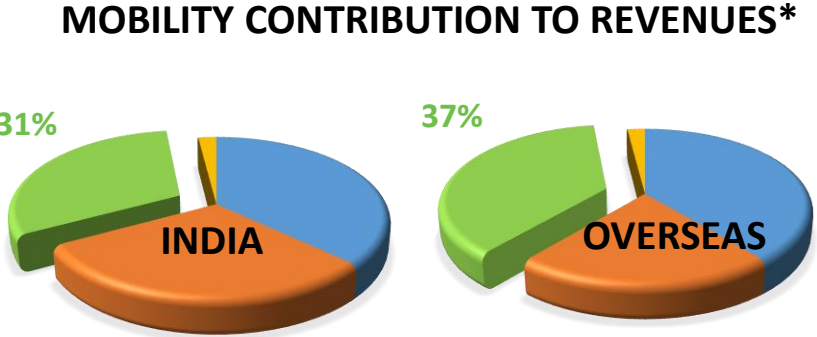
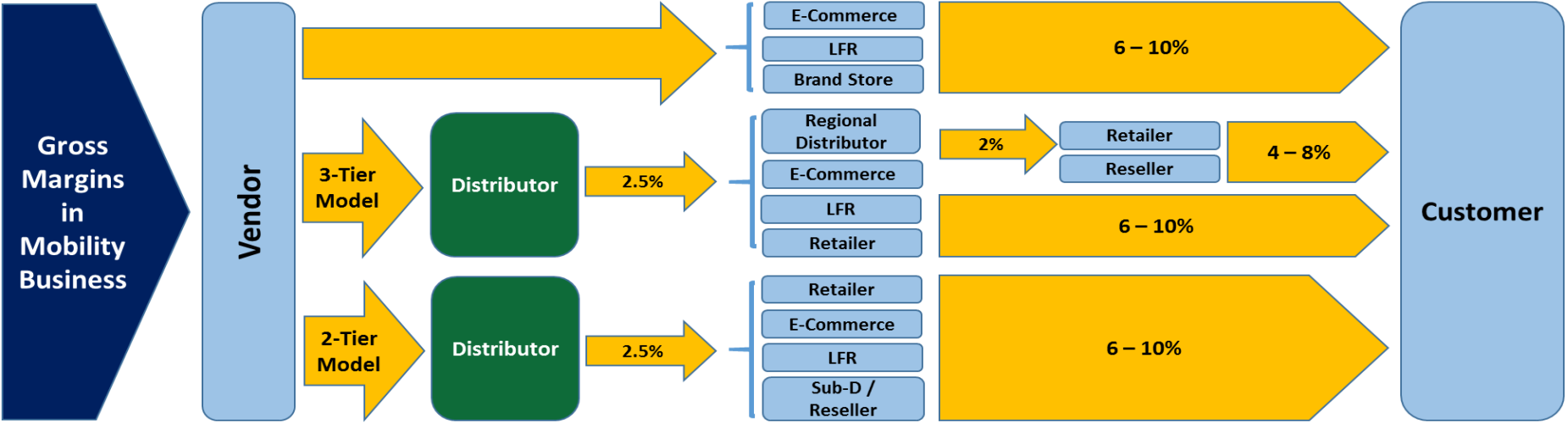


**Migrate**  
Step-by-Step processes of Migration in order of criticality and testing outcomes on Cloud



**Manage**  
Continuous processes with proactive monitoring to ensure the infra is ALWAYS managed & optimized with respect to utilization and new needs

# Mobility Business



\*Figures as on 9MFY21  
#Illustrative List

Services Business

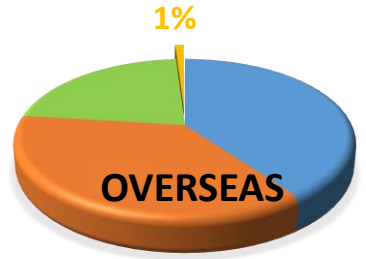
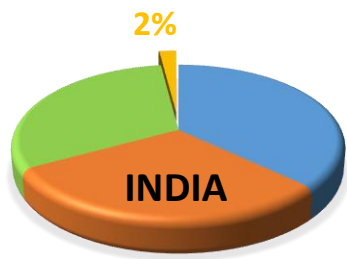
# Services Business

		INDIA	MIDDLE EAST	AFRICA
Logistics	 <b>ProConnect</b> Integrated Logistics <small>a Redington company</small>			
Support Services	 <b>ensure</b> services	Divested in Jul'20		



- Subsidiaries of Redington India Limited
- Third Party Logistics player offering
  - ✓ Warehousing;
  - ✓ Transportation;
  - ✓ Value added services

## SERVICES CONTRIBUTION TO REVENUES\*



\*Figures as on 9MFY21

# ProConnect India



*Wholly Owned Subsidiary of Redington*



*Integrated Third Party Logistics partner*



*PAN India presence*



*155+ Warehouses*



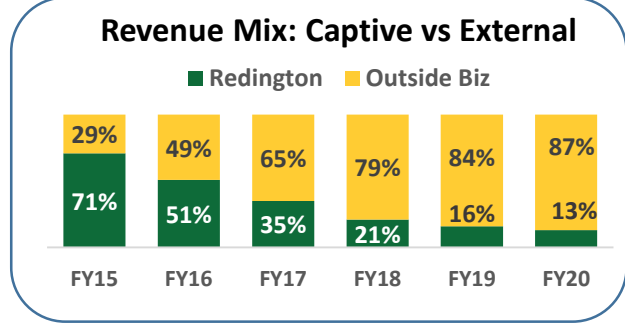
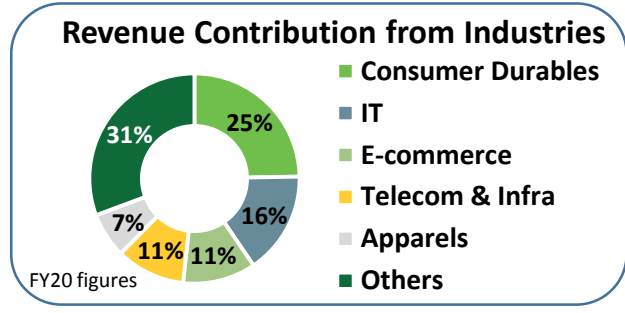
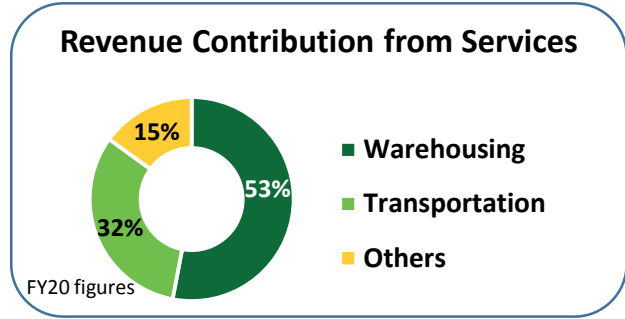
*6.7 mn Sq.ft. in operation*



*195+ Customers across 12+ Industries*



*20,200+ Pincodes*

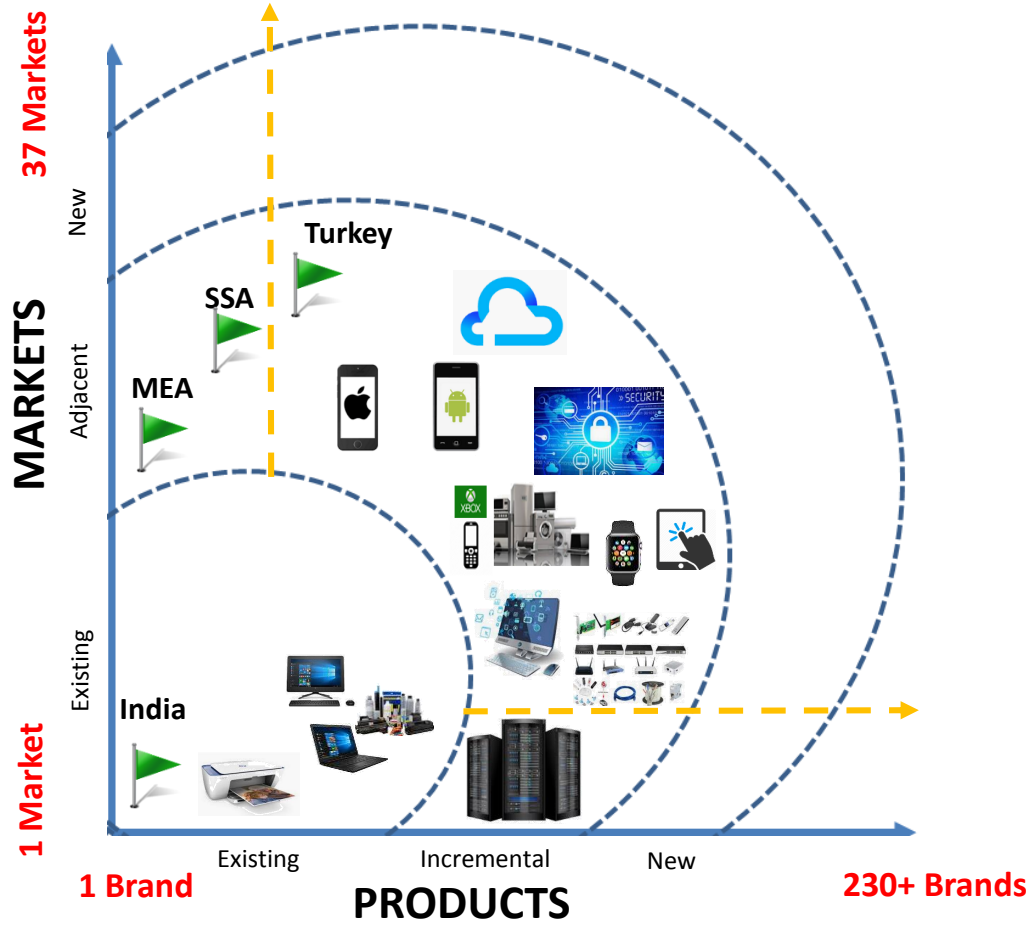


# Risk Management





# De-risking Strategy By Diversification



Our rich product portfolio consists of *diversified Brands* and *diversified product categories under the same brand*

*Presence in multiple markets* ensures diversification of risk as well as ensuring Kaizen's continuous improvement

Our strong and seamless partnerships and dynamic business model ensure that we *stay relevant in the everchanging technological environment*

*Foraying into new lines of businesses*, leading to incremental growth as well as diversification of risk

# Inherent Risks & Mitigation Measures



Risk	Measures	Effect of Mitigated Risk
<b>Inventory Risk</b>	<ul style="list-style-type: none"> <li>• Stock Rotation</li> <li>• Price protection</li> <li>• Marketing Support</li> <li>• Prudent Provisioning</li> </ul>	Inventory provisioning at <b>0.04% of Revenue</b> since 10 years
<b>Receivables Risk</b>	<ul style="list-style-type: none"> <li>• Collection of post dated Cheques</li> <li>• Performance linked pay-out only on collection</li> <li>• Strict internal parameters for overdues and bad debts</li> </ul>	AR Provisioning at <b>0.10% of Revenue</b> since 10 years
<b>Currency Risk</b>	<ul style="list-style-type: none"> <li>• Hedging all exposures</li> <li>• India – ~84% of purchases in rupee dominated invoices, forward cover for the rest with premium becoming a part of COGS</li> <li>• MEA – Currencies pegged in USD and USD denominated transactions. Effective forward controls and local currency borrowings</li> </ul>	Consistent business performance despite <b>fluctuating currencies</b>

**Ensuring risk adjusted returns**

# Financial Performance

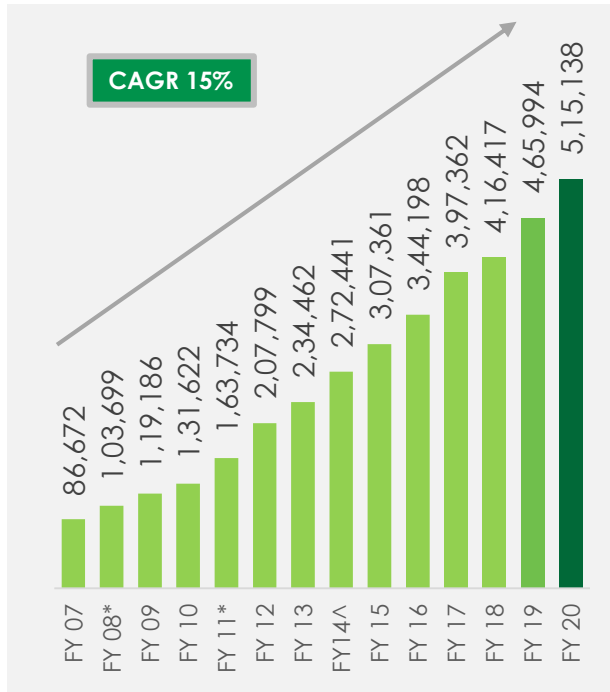


Performance track record

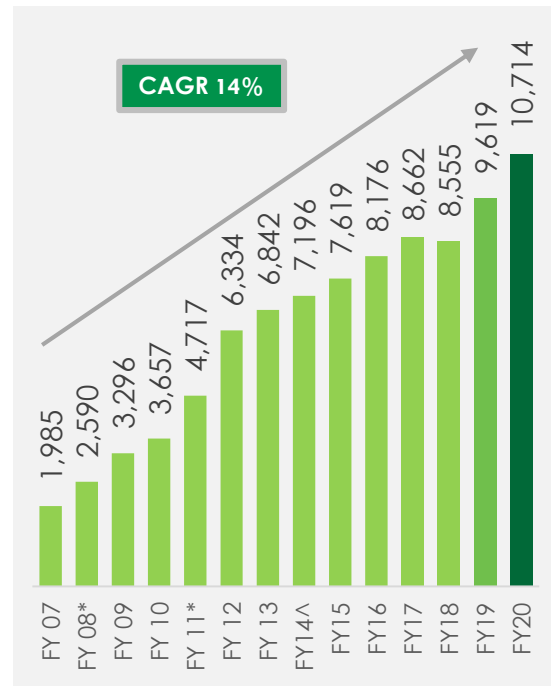
# Performance Since Listing

Achieved Rs.500 bn milestone mark in Revenues

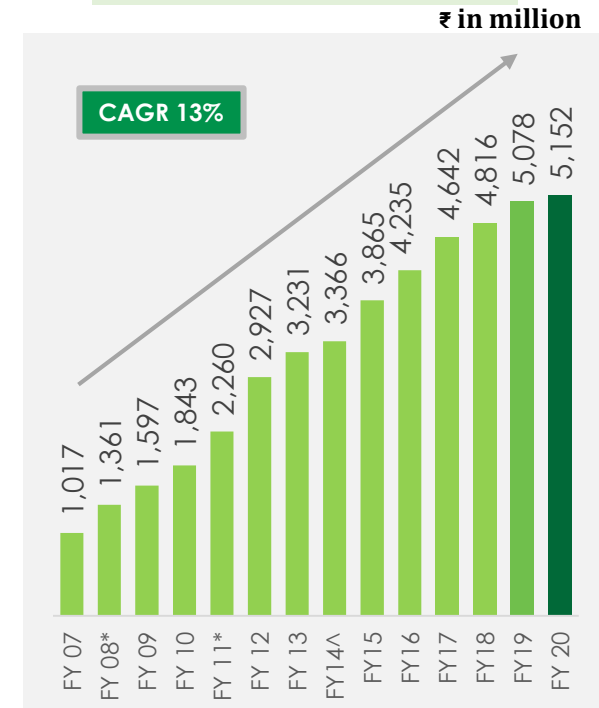
## REVENUE



## EBITDA

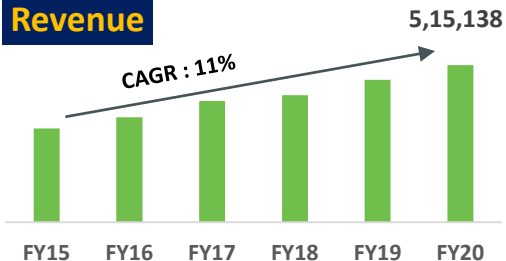


## PAT

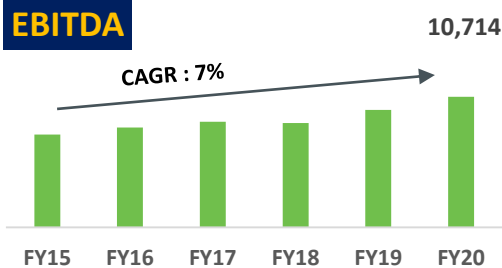


# Performance Snapshot

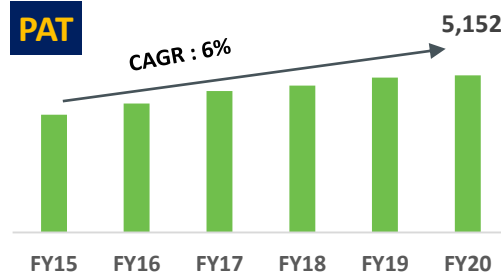
## Revenue



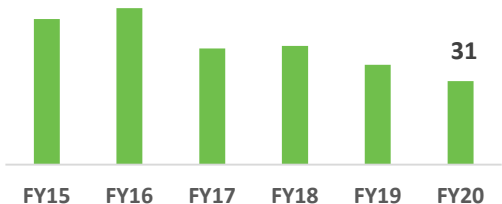
## EBITDA



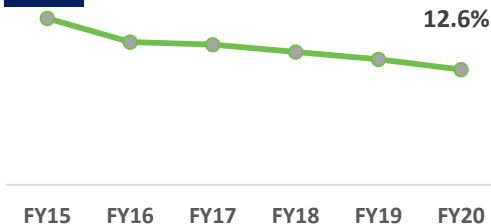
## PAT



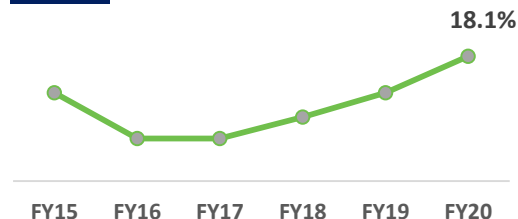
## WC days



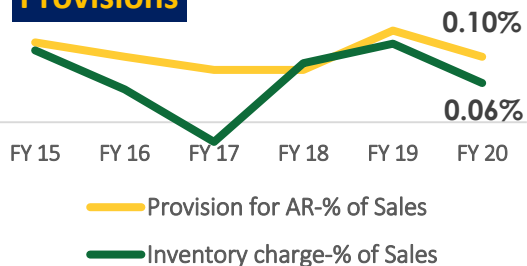
## ROE



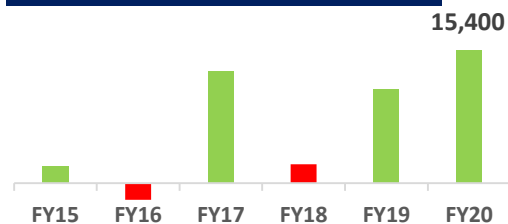
## ROCE



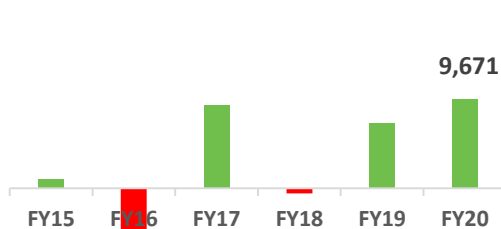
## Provisions



## Cash Flow from Operations



## Free Cash Flow



#ROCE is calculated net of cash and on average capital employed

# Annual performance track record

Particulars	9MFY21	FY20	FY19	FY18	FY17	FY16
Total Revenue	4,15,112	5,15,138	4,65,994	4,16,417	3,97,362	3,44,198
Growth YoY	6.9%	10.5%	11.9%	5.8%	15.4%	12.0%
EBITDA	9,876	1,0714	9619	8,555	8,662	8,176
Growth YoY	20.9%	10.4%	12.4%	-1.2%	5.9%	7.3%
PAT	37.1% <sup>^</sup> 4,539	5,152	5,078	4,816	4,642	4,235
Growth YoY	14.6%	1.5%	5.4%	3.7%	9.6%	9.6%
Networth	46,432	43,089	39,060	35,306	31,479	29,494
Capital Employed*	25,323	48,505	53,118	54,759	49,741	57,353
EBITDA Margins	1.3% <sup>^</sup> 2.4%	2.1%	2.1%	2.1%	2.2%	2.4%
PAT Margins	1.1%	1.0%	1.1%	1.2%	1.2%	1.2%
ROCE#	16.2% <sup>^</sup> 31.6%	18.1%	16.9%	16.1%	15.4%	15.4%
ROE	13.5%	12.6%	13.7%	14.5%	15.3%	15.6%
EPS (₹)	11.7	13.2	12.8	12.0	11.6	10.6
Book Value per share (₹)	118.9	110.3	99.8	87.7	78.2	73.2

\*Closing Capital Employed; #ROCE is calculated net of cash and on average capital employed

<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

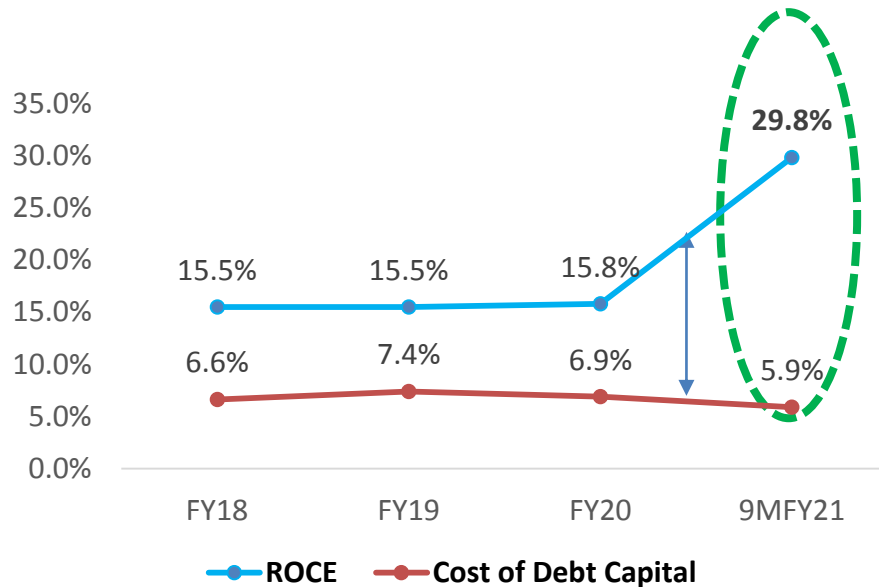


# ROCE vs Cost of Debt Capital

## Consistent Focus on Capital efficiency

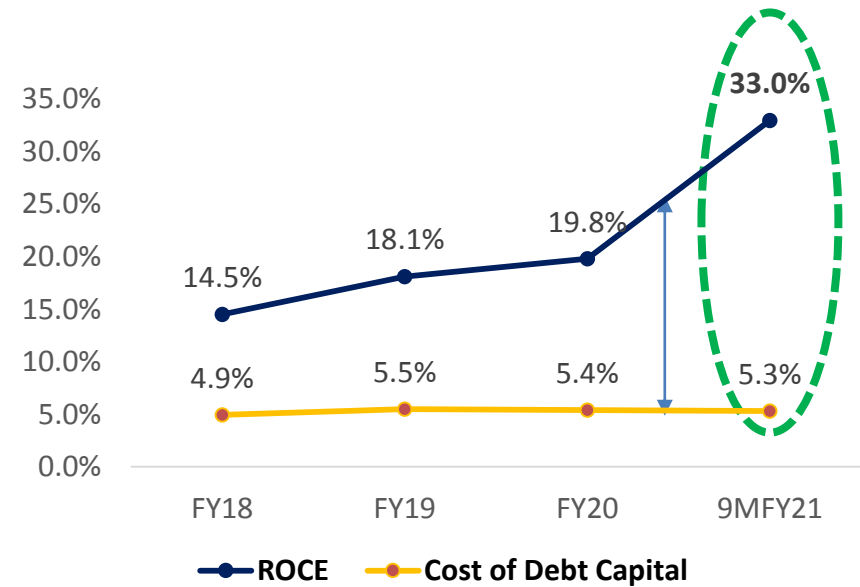
### INDIA Return on Rupee capital

Value Creation 23.9%



### OVERSEAS Return on Dollar Capital

Value Creation 27.7%



\*ROCE is calculated net of cash and on average capital employed

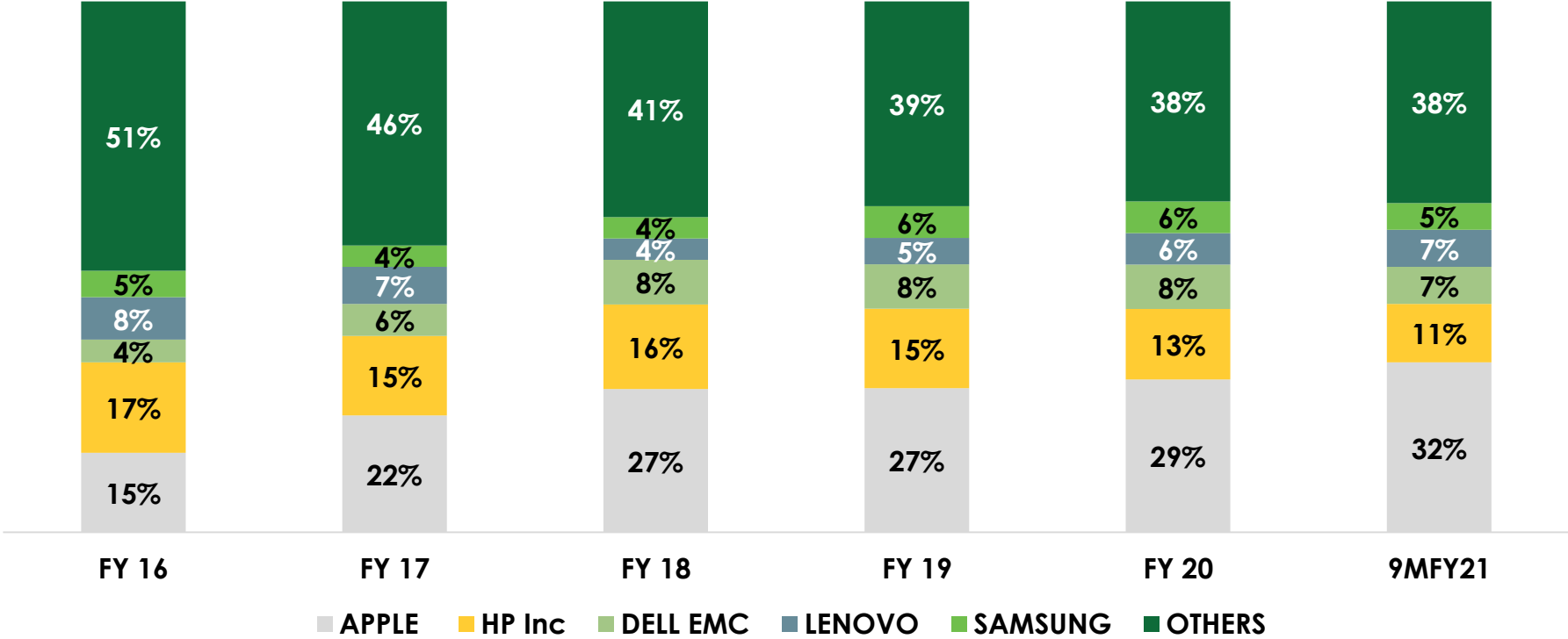
# Quarterly performance track record

Particulars	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20
Total Revenue	1,70,032	1,37,861	1,07,220	1,26,773	1,47,956
Growth QoQ	23.3%	28.6%	-15.4%	-14.3%	19.8%
EBITDA	4,465	3,110	2,301	2,545	3,094
Growth QoQ	39.4%	35.1%	-9.5%	-17.7%	17.8%
PAT	1,893	1,758	888	1,192	1,559
Growth QoQ	58.3%^	98.0%	-25.5%	-23.5%	19.9%
Networth	46,432	44,873	43,904	43,089	41,514
Capital Employed*	25,323	25,688	26,138	48,505	59,140
EBITDA Margins	1.6%^	2.2%	2.1%	2.0%	2.1%
PAT Margins	1.1%	1.3%	0.8%	0.9%	1.1%
ROCE#	24.3%^	42.6%	20.6%	16.3%	20.3%
ROE	16.5%	15.8%	8.2%	11.4%	15.2%
EPS (₹)	4.9	4.5	2.3	3.1	4.0
Book Value per share (₹)	118.9	114.9	112.4	110.3	106.1

\*Closing Capital Employed; #ROCE is calculated net of cash and on average capital employed

^Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

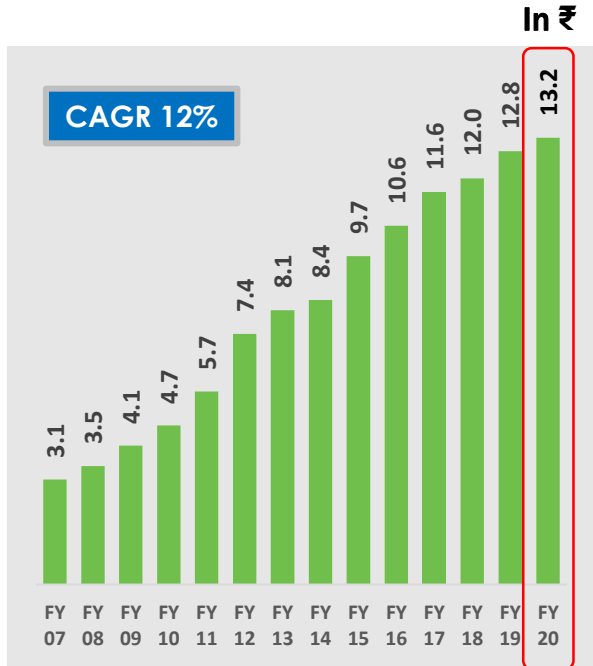
# Top 5 Vendors



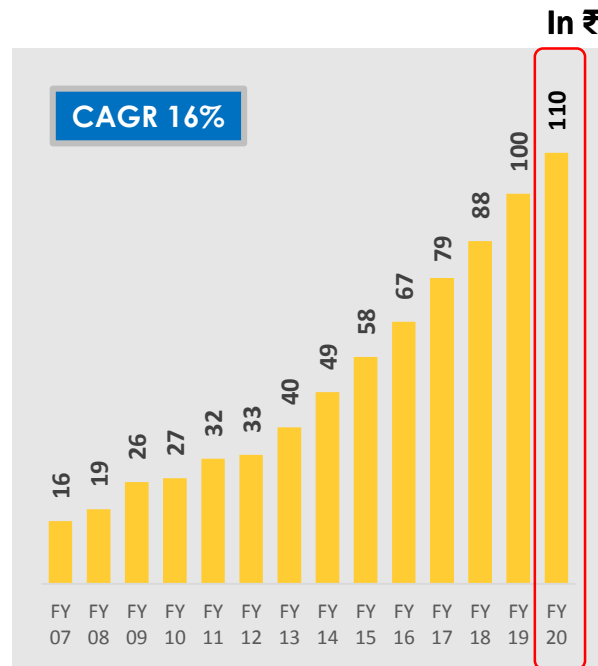
Note: Effect of Dell EMC merger is shown partly in FY17 figures and fully in FY18 figures

# Value Creation for our Shareholders

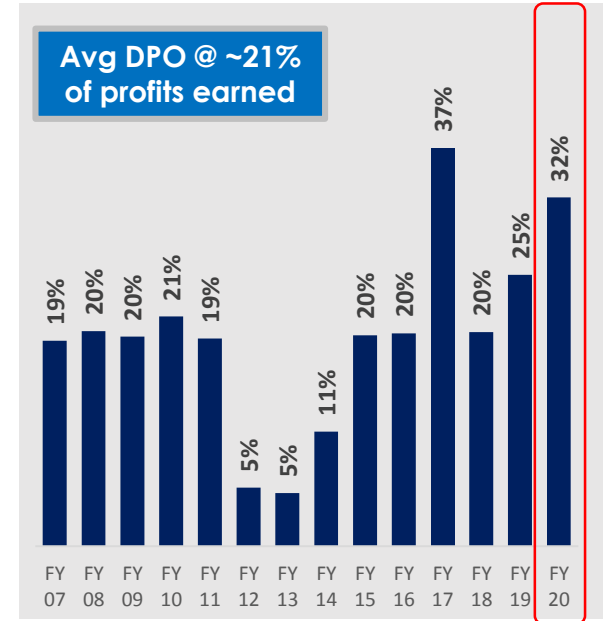
## EPS



## BOOK VALUE/SHARE



## DIVIDEND PAYOUT



Note: Special dividend declared in FY17, to commemorate 10 years of listing

Note: Two interim dividends totalling to Rs.4.3 declared in FY20

Current year performance

# 9MFY21 Performance Snapshot

## REVENUE

**7%** 


9MFY21: Rs.4,15,112 mn  
9MFY20: Rs.3,88,365 mn

## EBITDA

**21%** 

9MFY21: Rs.9,876 mn  
9MFY20: Rs.8,170 mn

## PAT

**15%** 

9MFY21: Rs.4,539 mn  
9MFY20: Rs.3,960 mn

**37%<sup>^</sup>**

## WC DAYS

**14 days**

9MFY20: 38 days

## ROE

**13.5%**

9MFY20: 13.2%

**16.2%<sup>^</sup>**

## ROCE#

**31.6%**

9MFY20: 17.6%

## INVENTORY CHARGE

**-0.10%**

9MFY20: 0.09%

## AR PROVISION

**0.06%**

9MFY20: 0.11%

## FREE CASH FLOW

**Rs.27,611 mn**

9MFY20: Rs.(3,003) mn

#ROCE is calculated net of cash and on average capital employed

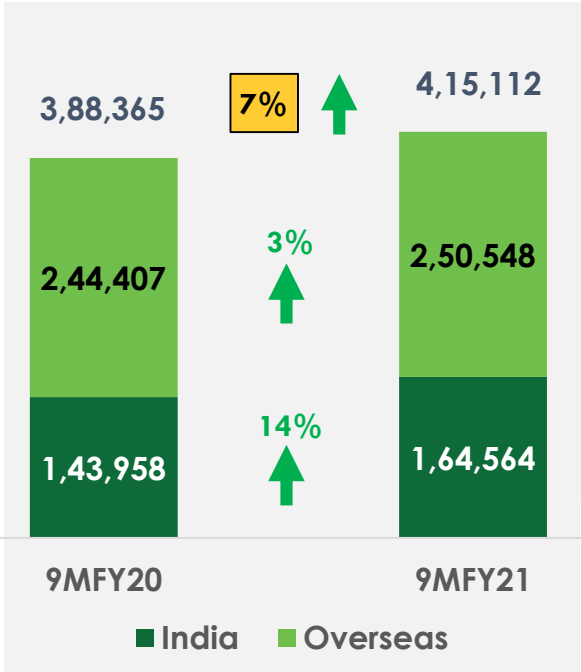
<sup>^</sup>Excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

# Performance By Market

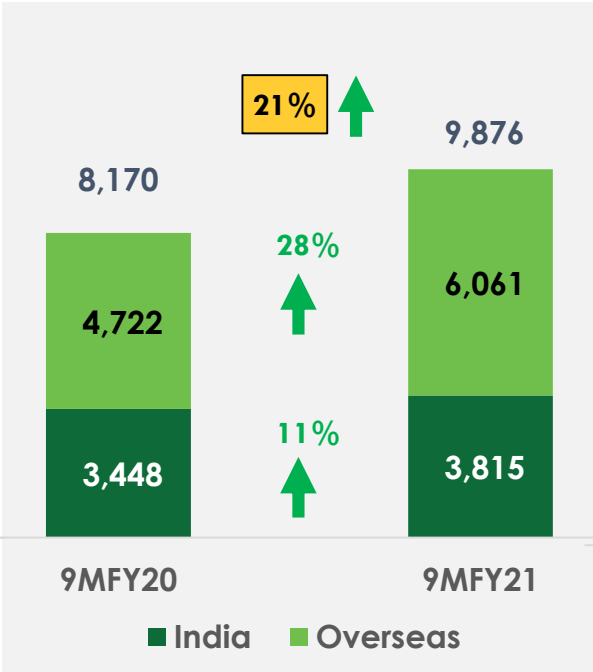


₹ in million

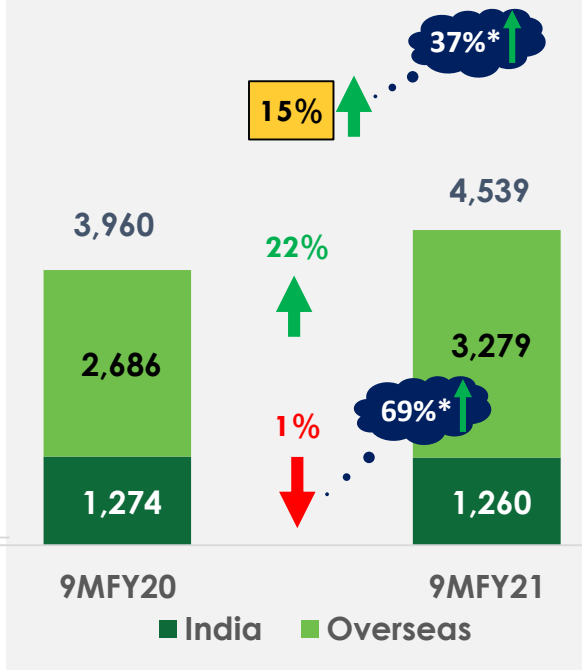
## REVENUE



## EBITDA



## PAT



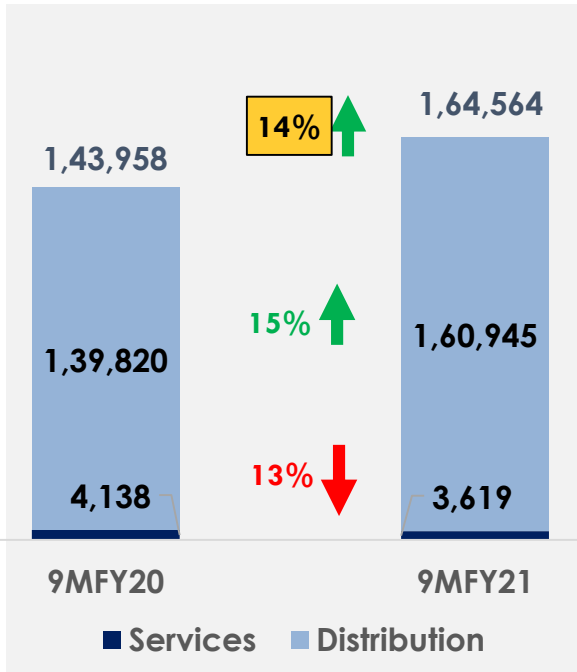
\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)



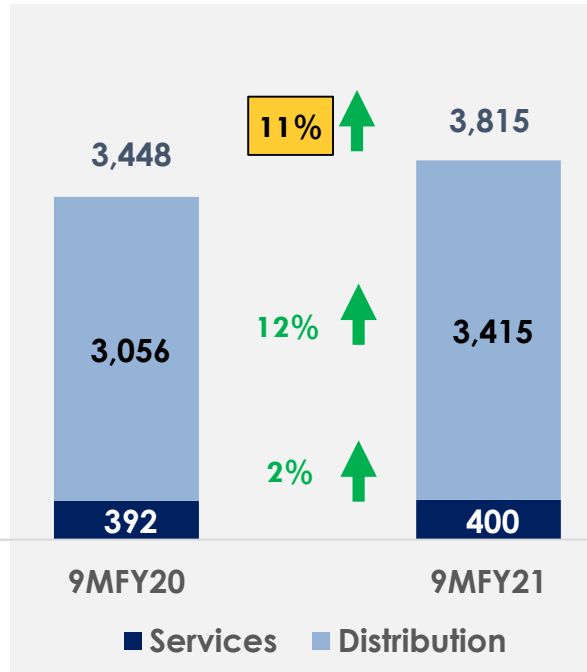
# India Performance

₹ in million

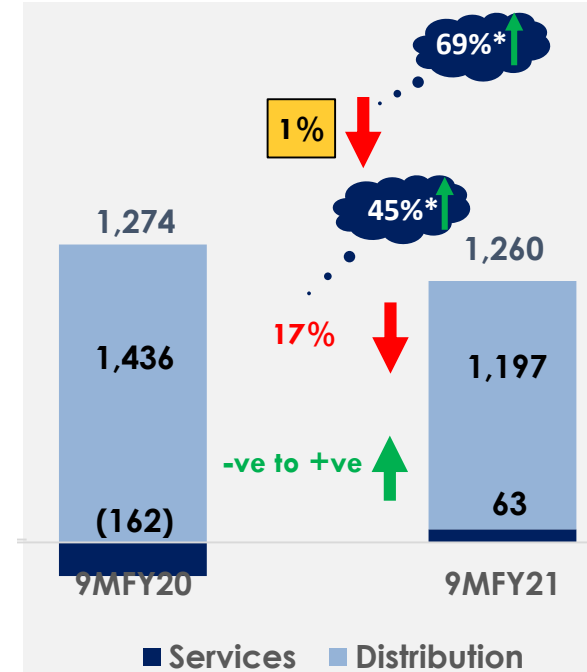
## REVENUE



## EBITDA



## PAT



\*Growth excluding one-off VSV tax provision of Rs.890mn (Mainly Gift of shares case)

Note: Services represents ProConnect & Ensure

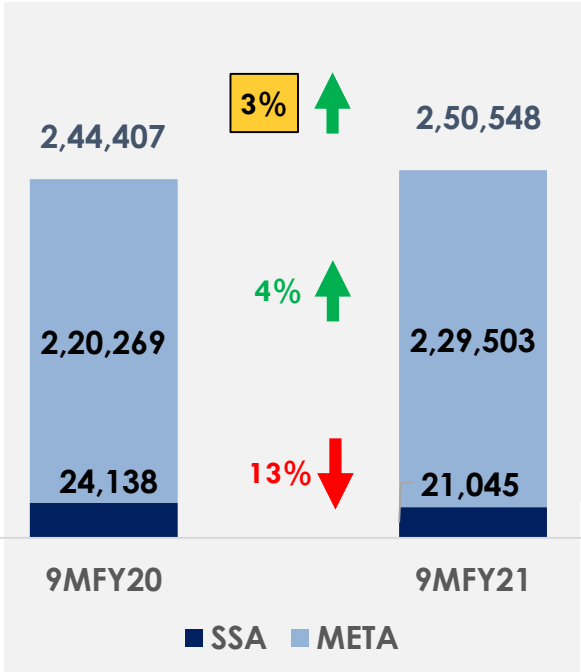
Note: Services in 9MFY21 includes capital profits of Rs.4.4 crs on sale of Ensure India

# Overseas Performance

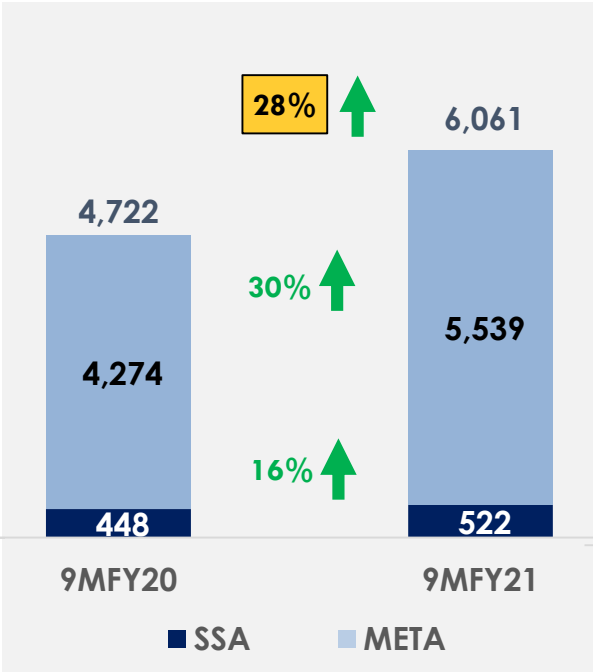


₹ in million

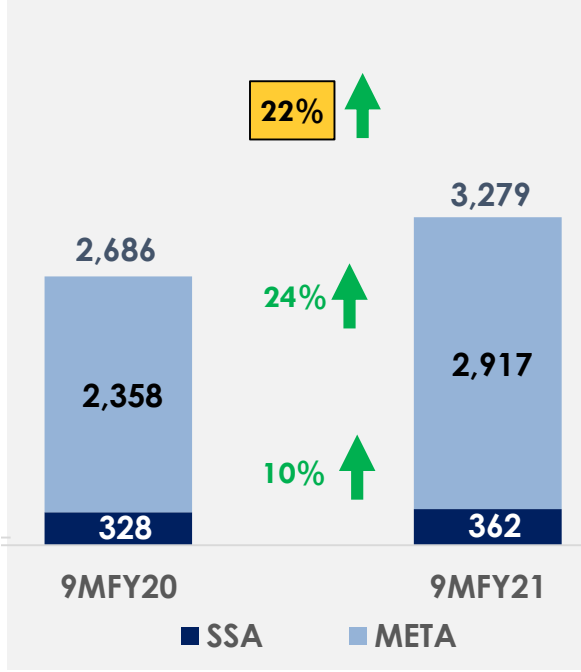
## REVENUE



## EBITDA



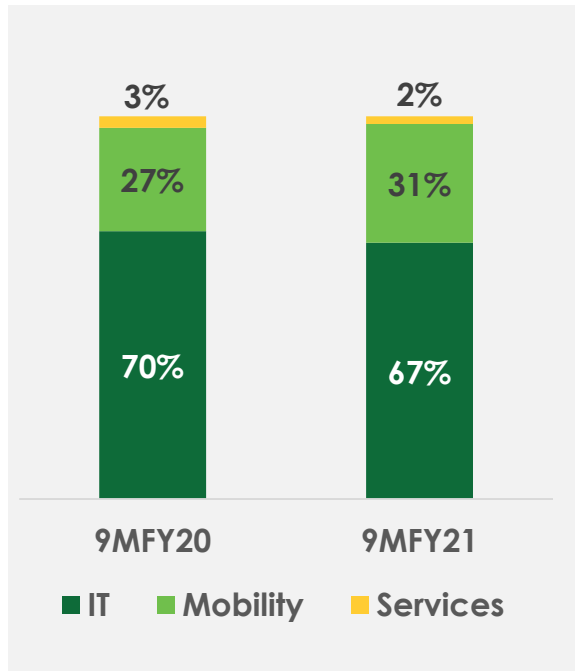
## PAT



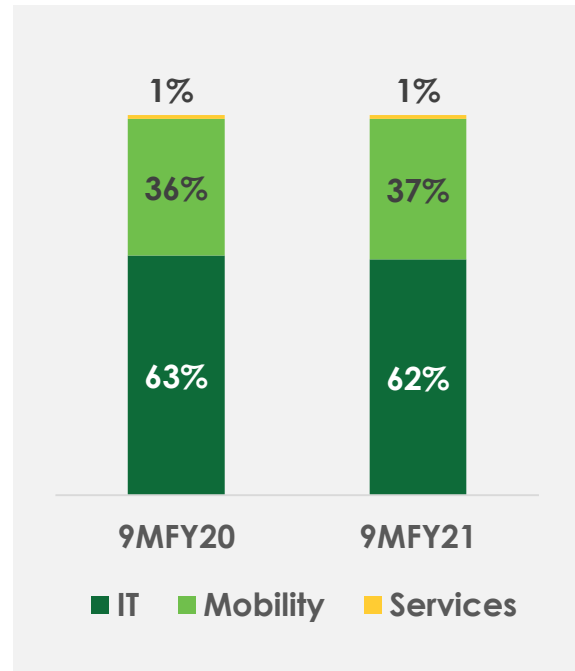
Note: Overseas performance in c/c terms – Revenue (3%); EBITDA 21% ; PAT 15%

# Performance By Vertical

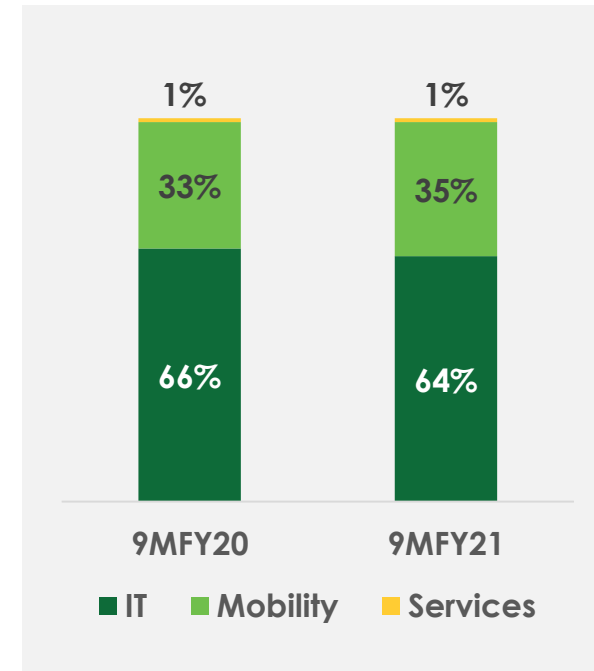
## INDIA



## OVERSEAS

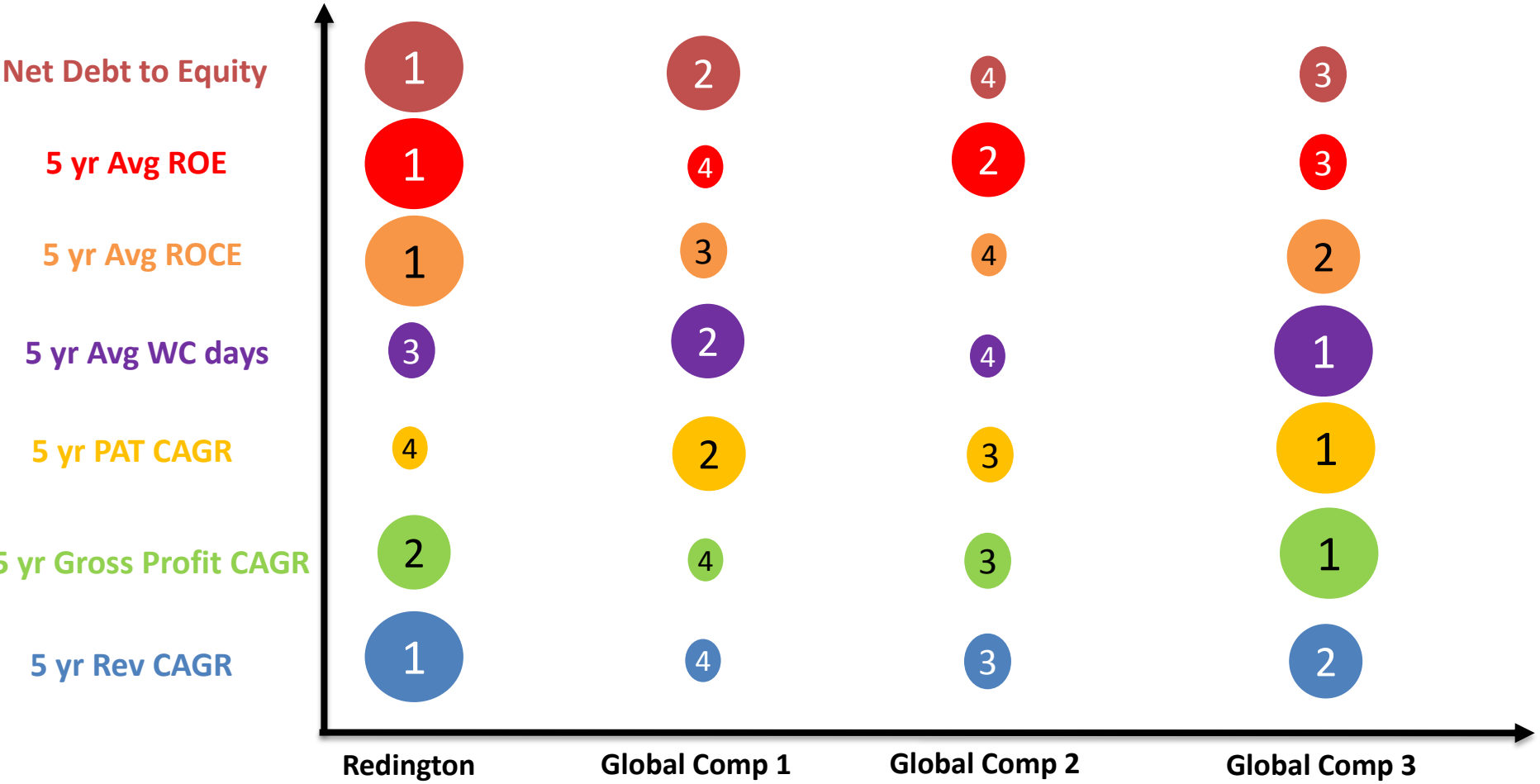


## GLOBAL



Note: Services represents ProConnect only

# Redington Vis-à-vis Global Peers

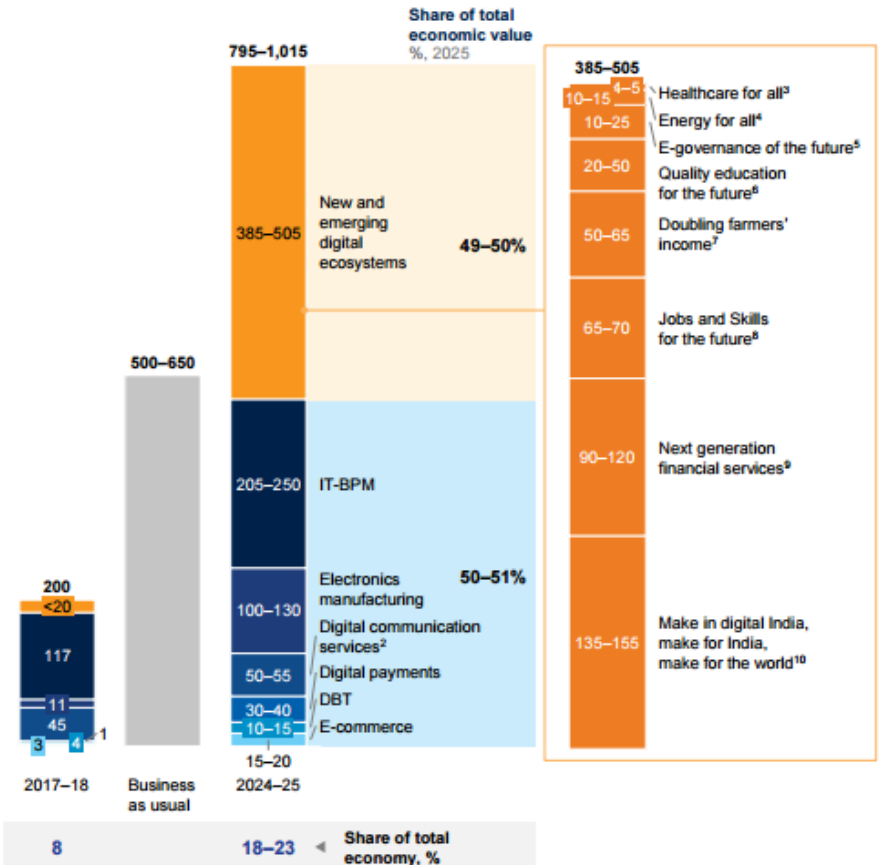


# Our Opportunities



# India: Govt spending opportunities

Size of India's digital economy, \$ billion, nominal



India to attain a trillion dollar of economic value of digital economy by 2025

India's digital economy could contribute 18-23% of overall economic activity by 2025, with more than half the potential coming from scaling up new and emerging digital ecosystems

Source: MEITY-McKinsey report

# India Opportunities

- Covid 19 impact - CIOs to invest more in **Security, Collaboration, Mobility & Cloud**
- **5G** to comprise **18% mobile subscriptions** in India **by 2025**
- **Enterprise networking market** is expected to post a **CAGR of 5%** between 2019 and 2024
- **India public cloud market** to reach **Rs 63,000 crs** by 2025
- India's **overall software market** is estimated to grow at a **CAGR of 8%** between 2019-2024
- **India Managed Security Services Market** is expected to grow at a **CAGR of 22%** until 2024
- **Indian cybersecurity services** industry to hit **\$14 billion** by 2025
- **Digitalisation of SMBs** could add as much as **\$216 billion to India's GDP** by 2024
- **SMBs** can account for **30% of India's public cloud market**
- Both executives (69%) and employees (55%) acknowledge the **need for further investment in digital transformation as the top priority for organizations** seeking to leverage any pandemic-induced cost savings
- India's **digital transformation market** is expected to reach **\$710 billion** by 2024

# META Opportunities



- **Government ICT spending** in MEA to reach **\$15 billion by 2023**
- **Total smartphone connections** in MENA will **exceed 500 million by 2025**
- **AI-based spending** in META region will increase at a **CAGR of 19% by 2023**
- **IoT revenue to more than double** in Middle East and Africa **by 2023**
- **Cybersecurity market** in MEA region is expected to register a **CAGR of 14%** during 2020-2025
- **Investments in digital transformation and innovation** will account for **30% of all IT spending** in the META region by 2024, up from 18% in 2018
- **Public cloud spending** in META region will top **\$7 billion in 2024**
- Tech trends influencing Middle East ranges from **5G and 4G adoption, upheaval in finance, to shifts in retail and AI**



*Foundation for CSR @ Redington (Redington Foundation), a trust formed by Redington (India) Limited to implement various CSR activities towards the betterment of the society*



## Employability Skills Training

- ➔ Communication Skills
- ➔ Computer Skills
- ➔ Personality Development
- ➔ Office Etiquette
- ➔ Domain Knowledge Skills

## Vocational Skills Training

- ➔ Disability inclusive support  
Improving quality of  
education through  
Technology
- ➔ Sign Language for hearing  
impaired
- ➔ Holistic self development
- ➔ Employment Generation

## Equipping Activities

- ➔ Setting up smart class  
rooms
- ➔ Monetary support to  
students
- ➔ Recognition to teachers
- ➔ Revamping of School infra

## Smart Schools

- ➔ Setting up Smart class  
rooms
- ➔ Strategic association with  
Schools for academic  
upliftment
- ➔ Promoting schools in rural  
areas

# CONTACT US

## Compliance Officer

*M. Muthukumarasamy*

*Redington (India) Limited*

*Redington House, Centre Point, Plot No. 11 (SP),*

*Thiru. Vi. Ka. Industrial Estate, Guindy,*

*Chennai 600 032*

<https://www.redingtongroup.com>

*CIN - L52599TN1961PLC028758*

## Investor Contact

*Sowmiya M*

*Senior Manager – Investor Relations*

[sowmiya.manickam@redington.co.in](mailto:sowmiya.manickam@redington.co.in)

*IR Materials - <https://redingtongroup.com/india/financials-and-reports/>*



**THANK YOU**

